

PUBLIC SUBMISSION

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Fiduciary - Conflict of Interest Exemptions

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General Comment

As a retirement investor, I write to urge you not to ban options trading in retirement accounts.

I have been using options for many years to reduce risk and increase returns. My broker has extremely low options commissions and I make all my own decisions in my self-directed account, so there is definitely NO conflict of interest.

In the recent market sell off starting in August, I have been able to smooth out and limit volatility and losses because I had purchased some puts as protection in S&P and Nasdaq 100 etfs and also against some large position such as Apple. Skilled investors such as myself know how to manage these, and I have made money by harvesting the gains in these puts by rolling them down in strike price and out in expiration.

I often buy puts on a position that has had a big run up in price, assuming that the stock may sell off a little, and I can protect the position and hopefully make a little profit on the puts while still holding on to the stock. This actually can reduce commissions as selling the stock would have a higher commission than that involved in buying the put contract.

Each year, I also generate thousands of dollars in options premiums by selling low-risk out of

the money covered call on my holdings. Research shows that a covered call portfolio has higher returns with LESS VOLATILITY than that without, so it is a benefit for investors.

Other strategies such as call and put spreads can be used to generate income and, intelligently used, do not unduly increase risk. And once again, with extremely low commissions in a self directed account, the transactions have NO CONFLICT of interest.

Options are simply a tool. Having them available to me increases my freedom and flexibility and investment returns. Please, don't throw the baby out with the bathwater in an attempt to "protect" retirement investors.